

ACTION MEMORANDUM FOR THE ASSISTANT ADMINISTRATOR, FVA

FROM: FVA/PVC, Thomas H. Fox 

Problem: Authorization is requested for Matching Grant support in the amount of \$2,482,500 to the International Voluntary Services (IVS) for a three year period beginning FY 82 with a grant of \$750,000.

Background: IVS was founded in 1953 to supplement government effort in technical assistance with the experience and altruistic purpose of voluntary agencies. It is a long-time recipient of support from A.I.D. and its predecessors. Its fundamental purpose has been to provide technical assistance through skilled volunteers to combat poverty, malnutrition, disease and illiteracy in developing countries. IVS has operated programs in agriculture, health education, and rural development in more than 25 countries. Until 1973, IVS/A.I.D. relations were largely through service contracts with A.I.D. Regional Bureaus. Under these contractual arrangements, IVS volunteers usually filled positions in A.I.D. planned programs under a specific country contract.

In 1974 A.I.D. provided IVS a three-year general support grant which inaugurated a new dimension-placing of volunteers in priority development programs identified and planned by host-country institutions. In 1975 IVS also received a Development Program Grant (DPG) which it used to build a project design, management and evaluation capability that has enabled IVS to obtain OPGs from USAIDs. Both the general support grant and the DPG expired in 1977. After a major Project Appraisal Review (PAR) involving all of the interested bureaus, PVC made an on-going institutional support grant to IVS which continued through 1980.

Under this grant, IVS engaged in projects where it had a major, if not total, input to project design and responsibility for managing the day-to-day operation of projects. Unlike earlier years, when the exclusive resource of IVS was its complement of volunteers, IVS was now assuming management and administrative roles in most of the projects that its volunteers were associated with. By the end of the grant in 1980, it was agreed that any further PVC support for IVS' program should be on a matching grant basis. IVS was already raising almost half of its budget, excluding OPGs, from private sources.

Because IVS' evolution over the six years since 1974 had shown good progress with programming, management and fund-raising, PVC requested authorization for a final fourteen-months of the existing institutional grant for partial support to IVS during the period of preparation for a matching grant.

An intensive evaluation of its program was completed in December 1981. While field observations were limited to Bangladesh and Honduras, (two of seven countries where IVS works) the consultant interviewed the IVS/Washington staff at length, and also spent time with the IVS country field directors who were in Washington for a program review. The findings of the evaluation are positive with respect to IVS' performance against its stated philosophy, its management, and its program impact. Taken together with our MG Committee Review on December 18, 1981 with regional bureau participation (details below), and favorable assessments made by PVC staff visits to IVS field projects in the Sudan, in Ecuador, and particularly in Bolivia, we believe that the evaluation confirms our earlier decision to recommend making a matching grant to IVS.

Proposed Program: The primary focus is on institution-building via skill transfer through IVS expert volunteers who assist indigenous groups and institutions (government and private) in gaining the necessary capacity for self-reliant development. The types of indigenous institutions with which IVS works are local voluntary agencies (examples: Friends of Village Development, Bangladesh; CEDEN, a group of Protestant church-related agencies in Honduras; CARITAS in Honduras); production and marketing cooperatives (La oficina de Alfabetizacion in Ecuador; FEHCIL, the Honduran Cooperative Federation; Juba Leathercraft Cooperative in Sudan); and other local institutions (Wau Ecology Institute in Papua New Guinea; Kweneng Rural Development Association in Botswana). All these institutions enable local communities to seek their own development in an organized way, which is why the strengthening of them is recognized by A.I.D. as a priority concern.

Skills transfer is achieved through a combination of training, demonstrations and advisory services by the volunteers. Specifically, volunteer assistance and cooperation will fall under four aspects of rural development in which IVS concentrates its efforts: (a) agriculture; (b) small business and cooperative development; (c) nutrition and health care; and (d) rural infrastructure.

While IVS' focus is on institution-building, the end result of project activity by host institutions is related to economic productivity, particularly under (a) and (b) above. This point is highlighted in comments, for example, from the A.I.D. Missions in Bolivia, regarding projects designed to increase the income of Aymara and Quechua groups; in Honduras regarding soy bean production, and the municipal water system, and the Sudan regarding the Juba leather craft cooperative (See TAB A for Mission comments).

In the planning phase, the IVS staff in conjunction with the host institution conduct an analysis to insure that IVS participation, when agreed upon, will be a positive complement

and reinforcement to skills and energies available. The IVS staff identifies evaluable projects where expatriate personnel can complement local skills as necessary for building increased development capacity of local organizations on a planned basis. Volunteers are recruited against specific position-descriptions worked out in the planning phase.

See TAB B for descriptions of illustrative projects in Papua New Guinea, Ecuador, and Sudan.

Countries under the program: IVS proposes to implement its MG program at first in the following countries where it already works (Bolivia, Botswana, Ecuador, Honduras, Papua New Guinea, and Sudan). In these six countries, activities under the matching grant would be a new phase of project activity or an extension of existing projects. IVS also proposes to establish new programs in three additional countries during the three-year period from among the following: Mali, Zimbabwe, Niger, Upper Volta, Barbados, Dominican Republic, Jamaica, and Nepal. Priorities and criteria for project selection are well established by IVS.

Agency Review: A second meeting on December 18, 1981 with regional and technical bureau participation discussed issues identified by the Matching Grant Proposal Committee during our initial review in October. We resolved the following:

- (1) IVS has no deficit and has strengthened its fiscal management;
- (2) Its capacity to raise private funds has grown over the last several years so that it is able to make the proposed match (\$750,000);
- (3) IVS' budget system including its accounting for OPGs is satisfactory;
- (4) The organization has acceptable criteria for project selection, and a complete system for planning, field reporting and evaluation (documentation is available in the proposal);
- (5) We reviewed how and where IVS' program would expand under MG funding (IVS submitted further details in a 1/11/82 letter).

The Committee established the above facts regarding IVS' program and experience with respect to the matching grant criteria, but did not draw an overall conclusion at the meeting about IVS' eligibility.

On January 18, a meeting of regional bureau representatives was called to discuss the IVS evaluation report with the consultant, William Nagle. Discussions dealt largely with the

quality of IVS field project activity and with comments received from the Latin America A.I.D. Missions. These received favorable discussion.

In response to our cable, comments have been received from Missions in the 7 countries where IVS currently operates. Four Missions (Papua New Guinea, Bolivia, Honduras and Botswana) are positive; one (Sudan) mixed; and one (Bangladesh) negative. The Ecuador Mission concurs but requests more information on IVS' proposed activities, and to be kept fully informed by IVS as implementation progresses. (See TAB A).

IVS has an existing program in Bangladesh, and included the country in its proposal. However, because the A.I.D. Mission stated that it does not want to be included as justification for the matching grant proposal, we are not proposing to include Bangladesh in this program at this time. The Mission's view was given before it had opportunity to review the recent evaluation report on IVS' work in Bangladesh which is quite positive (forwarded to the Mission on December 20). A discussion on February 11 with the Mission PVO Officer indicated that the Mission will reconsider its view, taking the evaluation report into account. We plan to continue discussions with the Mission in order to learn its response to the evaluation and to clarify IVS' plans for new activities in the country. If the Mission should change its view, Bangladesh could be included in the program later. If not, IVS will use the funds involved to expand one of its six existing country programs or in a new program as outlined above.

IVS' activities in Bolivia cannot be funded at present owing to Bolivia's delinquency in loan payments, in violation of Section 620(q) of the FAA. If this situation continues much longer we will seek a review by GC/LAC as to whether the prohibition need apply in this case; if so, we will ask IVS to substitute another country.

The other eight Missions queried with a summary of the proposed program--where IVS does not currently operate--have chosen to wait before commenting until the complete IVS proposal reaches them (the proposal, which was being revised, was pouched January 26th). Since IVS is proposing to conduct three new programs, we are confident that agreement with three A.I.D. Missions on the appropriateness of MG activity will be reached. We would not, however, release funds for new country programs until there is USAID agreement.

Funding level proposed: IVS' original request in its July 1981 concept paper was for \$1 million a year for three years. This was reduced in the proposal to \$750,000 for year one; \$846,200 for year two; and \$1,008,175 for year three, for a total A.I.D. share of \$2,604,375 for the three years. (The requested increments for the second and third years are 15% increases

owing to inflation.) IVS would match these amounts from private sources.

We propose a lower total grant for the three years of \$2,482,500, which would start in year one at \$750,000 but include only a 10 percent/year increase for inflation. This assumes that funds available to PVC would enable these increases. If our budget becomes even more stringent, we would keep the same level of \$750,000/year for the 3 years for a total grant of \$2,250,000.

Conclusion

PVC believes that the information presented above warrants a decision to approve the proposed IVS program. We believe the program meets the criteria for matching grant support for the following reasons:

- (1) it is field oriented, has a unified approach or focus on institution-strengthening, and its results will be evaluable;
- (2) IVS has a generally good, long track record with notable successes in several countries as evidenced in Mission comments and PVC monitoring;
- (3) IVS has the fund-raising ability to make the match at the proposed level of \$750,000.

Recommendation: That you approve the request for authorization of matching grant support to International Voluntary Services in the amount of \$2,482,500 for a three-year period beginning FY 82 with a grant of \$750,000.

Approval of 2nd year program will be based on specific guidelines and performance indicators to be agreed to between US and DTG

APPROVED: *Julie O. Borh*
 DISAPPROVED: _____
 DATE: *April 2, 1982*

FVA/PVC:WHolcomb:rg:1/13/82;1/21/82;1/25/82;2/23/82:X58420

Clearances:
 AFR/HA, HSmith (PHONE) Date 1/27/82
 LAC/DP, PMaguire (PHONE/MEMO) Date 2/1/82
 ASIA/DP, FLavin (PHONE) Date 1/27/82
 NE/TECH, AGooch (INFO) Date 1/26/82

ATTACHMENTS

- TAB A - Mission Comments
- TAB B - Project descriptions in Papua New Guinea, Ecuador and Sudan

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AGENCY FOR INTERNATIONAL DEVELOPMENT
PROJECT DATA SHEET

1. TRANSACTION CODE: A (Add), C (Change), D (Delete) | Amendment Number: _____ | DOCUMENT CODE: 3

2. COUNTRY/ENTITY: Centrally Funded | 3. PROJECT NUMBER: 938-0236

4. BUREAU/OFFICE: FVA/PVC | 5. PROJECT TITLE (maximum 30 characters): International Voluntary Services

6. PROJECT ASSISTANCE COMPLETION DATE (PACD): MM DD YY | 7. ESTIMATED DATE OF OBLIGATION (Under "B:" below, enter 1, 2, 3, or 4)

MM DD YY: 01 01 84 | A. Initial FY: 82 | B. Quarter: | C. Final FY: 84

8. COSTS (\$000 OR EQUIVALENT \$1 =)

A. FUNDING SOURCE	FIRST FY			LIFE OF PROJECT		
	B. FX	C. L/C	D. Total	E. FX	F. L/C	G. Total
AID Appropriated Total			750			2483
(Grant)	()	()	750	()	()	2483
(Loan)	()	()	()	()	()	()
Other U.S.						
1.						
2.						
Host Country						
Other Donor(s)						
TOTALS			750			2483

9. SCHEDULE OF AID FUNDING (\$000)

A. APPROPRIATION	B. PRIMARY PURPOSE CODE	C. PRIMARY TECH CODE		D. OBLIGATIONS TO DATE		E. AMOUNT APPROVED THIS ACTION		F. LIFE OF PROJECT	
		1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan
(1) SD	290	240				750		2,483	
(2)									
(3)									
TOTALS						750		2,483	

10. SECONDARY TECHNICAL CODES (maximum 6 codes of 3 positions each): _____

11. SECONDARY PURPOSE CODE: _____

12. SPECIAL CONCERNS CODES (maximum 7 codes of 4 positions each)

A. Code: _____

B. Amount: _____

13. PROJECT PURPOSE (maximum 480 characters):

To strengthen the capacity of indigenous institutions and groups in developing countries to address the causes and effects of poverty, hunger, and powerlessness.

14. SCHEDULED EVALUATIONS

Interim: MM YY | 1 2 | 8 2 | Final: MM YY | 1 2 | 8 4 |

15. SOURCE/ORIGIN OF GOODS AND SERVICES

000 941 Local Other (Specify) _____

16. AMENDMENTS/NATURE OF CHANGE PROPOSED (This is page 1 of a _____ page PP Amendment.)

17. APPROVED BY: Signature: Thomas H. Fox, Title: Director, FVA/PVC, Date Signed: MM DD YY

18. DATE DOCUMENT RECEIVED IN AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION: MM DD YY